

INCREASE IN TAX CREDIT AWARDS ISSUED BY IOWA ECONOMIC DEVELOPMENT AUTHORITY

Prior Law_____

The Iowa Economic Development Authority (Authority) can award \$120 million in tax credits each fiscal year related to the high quality jobs program, the enterprise zone program, the assistive device credit program, tax credits for investments in qualifying businesses and community-based seed capital funds, tax credits for investments in innovation funds, and the redevelopment tax credit program. Of this \$120 million, \$2 million is allocated to the tax credits for investments in qualifying businesses and community-based seed capital funds, \$8 million is allocated to tax credits for investments in innovation funds, and no more than \$5 million is allocated to the redevelopment tax credit program for brownfields and grayfields.

The Authority can authorize tax credits in excess of \$120 million for a fiscal year, but the amount of such excess is counted against the total amount of tax credits that can be authorized for a subsequent fiscal year.

New Provisions_____

The Authority can now award \$170 million in tax credits for a fiscal year. Of this \$170 million, no more than \$10 million is allocated to the redevelopment tax credit program. The Authority can also allocate less than \$2 million for tax credits for investments in qualifying businesses and community-based seed capital funds and can allocate less than \$8 million for tax credits for investments in innovation funds.

The Authority may authorize tax credits in excess of \$170 million in a fiscal year, but such excess shall not exceed 20% of \$170 million, or \$34 million, and this continues to be counted against the total amount of tax credits that can be authorized for a subsequent fiscal year. Any tax credits authorized and awarded by the Authority during a fiscal year that are irrevocably declined by the awarded business on or before June 30 of the next fiscal year may be reallocated, authorized, and awarded during the fiscal year in which the decline occurs.

Section Amended_____

Section 6 of 2013 Iowa Acts House File 620 amends section 15.119, subsection 1, Code 2013. Section 7 amends section 15.119, subsection 2, paragraphs d and e, Code 2013. Section 8 amends section 15.119, subsection 3, Code 2013.

Effective Date_____

Retroactive to July 1, 2012, for fiscal years beginning on or after that date.